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**LAKESHORE VILLAGE BUSINESS  
IMPROVEMENT AREA  
FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

# LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

## Financial Statements December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors of LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

#### *Opinion*

We have audited the accompanying financial statements of **LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA (BIA)**, which comprise the statements of financial position as at **December 31, 2020**, and the statements of operations, changes in accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Lakeshore Village Business Improvement Area (BIA) as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Lakeshore Village Business Improvement Area (BIA) in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards and for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the BIA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BIA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the BIA's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BIA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BIA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the BIA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*C.C.L.*

**Chartered Professional Accountants Professional Corporation**  
**Authorized to practice public accounting by the**  
**Chartered Professional Accountants of Ontario**

Toronto, Ontario  
May 11, 2021

# LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

## Statement of Financial Position December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Financial Assets</b>		
Cash and short-term investments	76,628	29,912
Accounts receivable		
- City of Toronto - special charges (note 3)	7,900	9,080
- Other	<u>10,666</u>	<u>11,192</u>
	<u>95,194</u>	<u>50,184</u>
<b>Liabilities</b>		
Accounts payable		
- Other	9,039	5,744
Deferred grant - lighting (note 5)	<u>-</u>	<u>938</u>
	<u>9,039</u>	<u>6,682</u>
<b>Net Financial Assets</b>	<b>86,155</b>	<b>43,502</b>
<b>Non-Financial Assets</b>		
Equipment (note 4)	<u>15,127</u>	<u>18,911</u>
<b>Accumulated Surplus</b>	<u>101,282</u>	<u>62,413</u>

Approved on behalf of the Board of Management

  
\_\_\_\_\_, Chair

  
\_\_\_\_\_, Treasurer

## LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Accumulated Surplus Year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Accumulated Surplus</b>		
Balance, beginning of year	62,413	62,526
Excess (deficiency) for the year	<u>38,869</u>	<u>(113)</u>
<b>Balance, end of year</b>	<u><b>101,282</b></u>	<u><b>62,413</b></u>

## LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Operations Year ended December 31, 2020

	<b>Budget</b>		
	<b>2020</b>	<b>2020</b>	<b>2019</b>
	\$	\$	\$
<b>Revenue</b>			
City of Toronto - special charges	109,891	110,332	106,515
Investment and other income	<u>30,000</u>	<u>10,272</u>	<u>20,918</u>
	<b><u>139,891</u></b>	<b><u>120,604</u></b>	<b><u>127,433</u></b>
<b>Expenses</b>			
Advertising and promotion	5,500	5,856	6,738
Amortization	-	3,784	4,200
Bank charges	150	134	131
Events	84,400	11,636	68,090
Insurance	924	819	751
Office and general	12,443	12,256	11,215
Professional fees	1,800	2,130	1,928
Repair and maintenance	27,000	14,504	15,441
Subcontractor	15,400	25,208	16,016
Utilities	-	2,514	2,685
Provision for uncollected special charges	<u>9,990</u>	<u>2,894</u>	<u>351</u>
	<b><u>157,607</u></b>	<b><u>81,735</u></b>	<b><u>127,546</u></b>
<b>Excess (deficiency) for the year</b>	<b><u>(17,716)</u></b>	<b><u>38,869</u></b>	<b><u>(113)</u></b>



## LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows Year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Funds provided (used):</b>		
<b>Operating Activities</b>		
Excess (deficiency) for the year	38,869	(113)
Item not affecting cash		
- Amortization	3,784	4,200
- Grant - City of Toronto	(938)	(2,111)
Changes in other non-cash working capital components (1)	<u>5,001</u>	<u>(8,114)</u>
	<u><b>46,716</b></u>	<u><b>(6,138)</b></u>
<b>Investing Activities</b>		
Acquisition of equipment	<u>-</u>	<u><b>(4,266)</b></u>
<b>Net increase (decrease) in cash</b>	<b>46,716</b>	<b>(10,404)</b>
Cash, beginning of year	<u>29,912</u>	<u>40,316</u>
<b>Cash, end of year</b>	<u><b>76,628</b></u>	<u><b>29,912</b></u>
(1) Changes in other non-cash working capital components represented by:		
Accounts receivable - City of Toronto	1,180	(3,786)
Accounts receivable - Other	526	906
Accounts payable - City of Toronto	-	(9,378)
Accounts payable - Other	<u>3,295</u>	<u>4,144</u>
	<u><b>5,001</b></u>	<u><b>(8,114)</b></u>

# LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

## Notes to Financial Statements December 31, 2020

### 1. Nature of the Organization

Lakeshore Village Business Improvement Area is not-for-profit volunteer-based association dedicated to create a safe and competitive business area that attract shoppers and new businesses under the management and control of a Board of Management appointed by the Council of the City of Toronto.

The Board is entrusted with the improvements, beautification and maintenance of municipally owned lands, buildings and structures in the area, together with the promotion of the area as a business or shopping area. Funding is provided by property owners of the BIA who are levied a special charge based on an annual operating budget prepared by the Board and approved by the Council under Section 220(17) of the Municipal Act.

### 2. Significant Accounting Policies

The Organization follows Canadian accounting standards for local governments as prescribed by the Public Sector Accounting Board (PSAB) which include the following policies:

#### Revenue recognition:

The Organization receives special charges from the City of Toronto, cash donations from corporate sponsors and private donors, as well as grants for operating purposes and capital projects. Revenue are being recorded upon signing of contract, and when collection can be reasonably ascertained.

#### Equipment:

Equipment are stated at cost and amortized using straight-line basis over the estimated useful lives of the assets at the following rates per annum:

Computer	2 years
Planters	5 years
Lights	5 years

#### Financial instruments:

Financial instruments are recorded at the approximated fair value. The BIA is subject to an interest rate risk with respect to its investments; however, as these instruments are short-term investments the risk is minimal.

#### Use of Estimates:

The preparation of these financial statements in conformity with Canadian accounting standards for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates, as additional information becomes available in the future.

## LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

### Notes to Financial Statements December 31, 2020

#### 3. City of Toronto - Special Charges

Special charges levied by the City are collected from BIA members and remitted to the Board by the City. The total special charges outstanding consist of amounts collected by the City not yet remitted to the Board and amounts uncollected by the City.

The Board records special charges receivable net of an allowance for uncollected amounts. The special charges receivable from the City of Toronto are comprised of:

	<u>2020</u>	<u>2019</u>
	\$	\$
Total special charges outstanding	12,700	13,480
Less: allowance for uncollected special charges	<u>(4,800)</u>	<u>(4,400)</u>
Accounts receivable - City of Toronto (special charges)	<u>7,900</u>	<u>9,080</u>

The provision for uncollected levies reported on the Statement of Operations comprises:

	<u>2020</u>	<u>2019</u>
	\$	\$
Special charges written-off	2,494	3,151
Changes in allowance for uncollected special charges	<u>400</u>	<u>(2,800)</u>
	<u>2,894</u>	<u>351</u>

#### 4. Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net	
	\$	\$	<u>2020</u>	<u>2019</u>
	\$	\$	\$	\$
Computer equipment	1,070	1,066	4	7
Planters	13,714	5,200	8,514	10,642
Lights	<u>104,207</u>	<u>97,598</u>	<u>6,609</u>	<u>8,262</u>
	<u>118,991</u>	<u>103,864</u>	<u>15,127</u>	<u>18,911</u>

## LAKESHORE VILLAGE BUSINESS IMPROVEMENT AREA

### Notes to Financial Statements December 31, 2020

#### 5. Deferred Grant - Lighting

Grant received from the City of Toronto for multiple constructions from year to year is being deferred and amortized on the same basis of the capital projects.

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance, beginning of year	938	3,048
Less: amortization during the year	<u>(938)</u>	<u>(2,110)</u>
Balance at year end	<u>-</u>	<u>938</u>

#### 6. Insurance

The Board is required to deposit with the Treasurer, City of Toronto, insurance policies indemnifying the City against public liability and property damage in respect of the activities of the Board. Insurance coverage providing \$5,000,000 for each occurrence or accident has been obtained by the Board, through the City of Toronto.

#### 7. Budget

Budget figures are provided for comparative purpose only and have not been audited. Accordingly, we do not express any opinion on the budget figures.



**C.C.L.** Chartered Professional Accountants  
Professional Corporation  
(Member of LAWCPA network)

Terence Chan MBA, CPA (ILL), CPA, CA  
Michele Chan MBA, CPA (ILL), CPA, CA  
Anne Law B.Comm, CPA, CA

June 3, 2021

City of Toronto  
Accounting Services Division  
14<sup>th</sup> Floor, 55 John Street  
Toronto, Ontario  
M5V 3C6

Dear Sir,

Re: Lakeshore Village Business Improvement Area

Please be advised that, during our audit of the December 31, 2020 financial statements of Lakeshore Village Business Improvement Area. We have identified no significant matter, which is required to be brought to the Board of the BIA.

Should you have any further questions, please do not hesitate to contact us.

Yours very truly,  
C.C.L. Chartered Professional Accountants Professional Corporation

Terence Chan, MBA, CPA (ILL, US), CPA, CA